

WASHINGTON, DC - Democratic Whip Steny H. Hoyer (MD) delivered a morning hour speech today on the House Floor on the budget deficit and how tax reform is one part of a serious deficit reduction plan. See below for a link to the video and his remarks as prepared for delivery:

"Last week, former Republican Congressman Joe Scarborough said this about the hard work of getting America out of debt: 'The belief of some on the right that America can balance the budget by cutting education, infrastructure, the Corporation for Public Broadcasting, and home heating assistance to the poor is tantamount to budgetary witchcraft.'

"Last week, Budget Committee Chair Paul Ryan expressed a similar thought. Some, he said, 'literally think you can just balance [the budget by cutting] waste, fraud and abuse, foreign aid and NPR. And it doesn't work like that.'

"Both Congressman Scarborough and Congressman Ryan are exactly right. Last week, I explained why Republicans' spending plan, even as it cripples America's competitiveness, barely makes a dent in our debt. That's because the spending targeted by Republicans—non-security discretionary spending—only amounts to 14% of our entire budget.

"If you want to meet an arbitrary goal of cutting \$100 billion, and you confine yourself to just that 14%, you severely damage investments in education, in innovation, and in competitiveness—without making our fiscal condition significantly healthier.

"That's why, to really get our debt under control, we have to go beyond that 14%. We have to stop making the cuts that, while reckless, are politically easy. We have to start doing what's in the best interests of our country, even though it's politically hard. That means addressing the

defense spending that takes up more than a quarter of our budget. It means making hard choices that can keep our entitlements strong for generations to come. But we also need to pass deficit-reducing tax reform.

"Our tax code is a monumental collection of rules and regulations, riddled with loopholes and preferences, which are a drain on job creation and exacerbate the deficit. Many of those loopholes—or tax expenditures, as they're also called—are popular with special interests. But they exact a high price from the rest of us: billions of dollars and more than 225 million collective hours spent on tax preparation each year—money and time that could be invested in more productive activity. Just as importantly, when the tax code is full of loopholes, businesses and families start making decisions based on maximizing tax breaks—not their economic common sense. Closing those loopholes, in return for lower tax rates, frees all of us to make more economically sensible choices.

"Closing those loopholes can also reduce the deficit. In the spending bill on the floor this week, total discretionary spending for Fiscal Year 2011 adds up to \$1.1 trillion. How much do our tax expenditures cost for the same fiscal year? Coincidentally—\$1.1 trillion.

"Closing tax loopholes isn't the only answer to our budget challenges—but it must be part of the answer. Because if we attempt to solve our debt without addressing defense, entitlements, and revenue, we're fighting with one hand and four fingers tied behind our back."